



ACN 092 471 513

12 November 2019

ASX Release

EXPLORATION & CORPORATE UPDATE

HIGHLIGHTS

- **Aircore drilling commences at Yuinmery Copper-Gold Project**
- **Rights issue launched to raise up to \$2M**
- **First royalty from Penny's Find Gold Mine received**

Empire Resources Limited ("Empire" or the "Company") is pleased to provide the following exploration update related to its Yuinmery Copper-Gold Project and a further corporate activity update.

SUMMARY

Drilling has commenced at the Company's Yuinmery Copper-Gold Project located 80km south of Sandstone in the Youanmi greenstone belt. The 3,000m reconnaissance drilling program will test selected high priority targets identified by the independent geological review of the Company's projects (Refer ASX:ERL "*Exploration Projects Update*" 16 September 2019).

At completion of the Yuinmery drilling, the drilling crews and geological team are planned to mobilise to Penny's Gold Project 45km north-east of Kalgoorlie to commence drilling selected targets at that project. The Company looks forward to providing updates to its exploration programmes as results and information becomes available.

On 5 November the Company lodged its prospectus for a non-renounceable 2 for 5 rights issue to raise up to \$1,989,807 before costs (Refer ASX:ERL "*Prospectus - Non-Renounceable Rights Issue*" 5 November 2019). The rights issue is sub-underwritten to \$712,000 by major shareholder and Empire chairman Dr Michael Ruane.

Funds raised will be used to repay in part a loan facility, for exploration of the Company's projects, for general working capital and to pay the costs of the rights offer process.

The Company has received its first royalty payment for gold produced from the Penny's Find Gold Mine. The initial royalty was received for gold produced from surface stockpiles located at the Penny's Find Gold Mine (Refer ASX:ONX "*Comet Vale Gold Pour and Mining Development Update*" 29 October 2019). The Company looks forward to further milestone and royalty payments as the mine is developed.

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Yuinmery Project Drilling

Reconnaissance drilling has commenced at the Yuinmery Copper-Gold Project with an initial 3,000m aircore program. The drill programme has been designed to test a number of high priority targets proximal to the existing Just Desserts Resource and identified by the independent geological review of the project in September 2019 (Refer ASX:ERL “*Exploration Projects Update*” 16 September 2019).



Figure 1 – Aircore drilling at Yuinmery Copper-Gold Project

A high priority target over a strike length of approximately 1.5km has been identified within the hinge of the synclinal feature in the southern area of the project. The target is defined by multi-element geochemical anomalism with maximum results for copper of 1,300ppm Cu and gold of 49ppb Au. The target occurs within a structurally complex area and may represent extensions to the Just Desserts – C Zone mineralised horizon. Additional base metal targets have been identified on the flanks of the syncline feature.

Figure 2 below shows the southern Yuinmery targets identified for testing by reconnaissance drilling in order of priority.

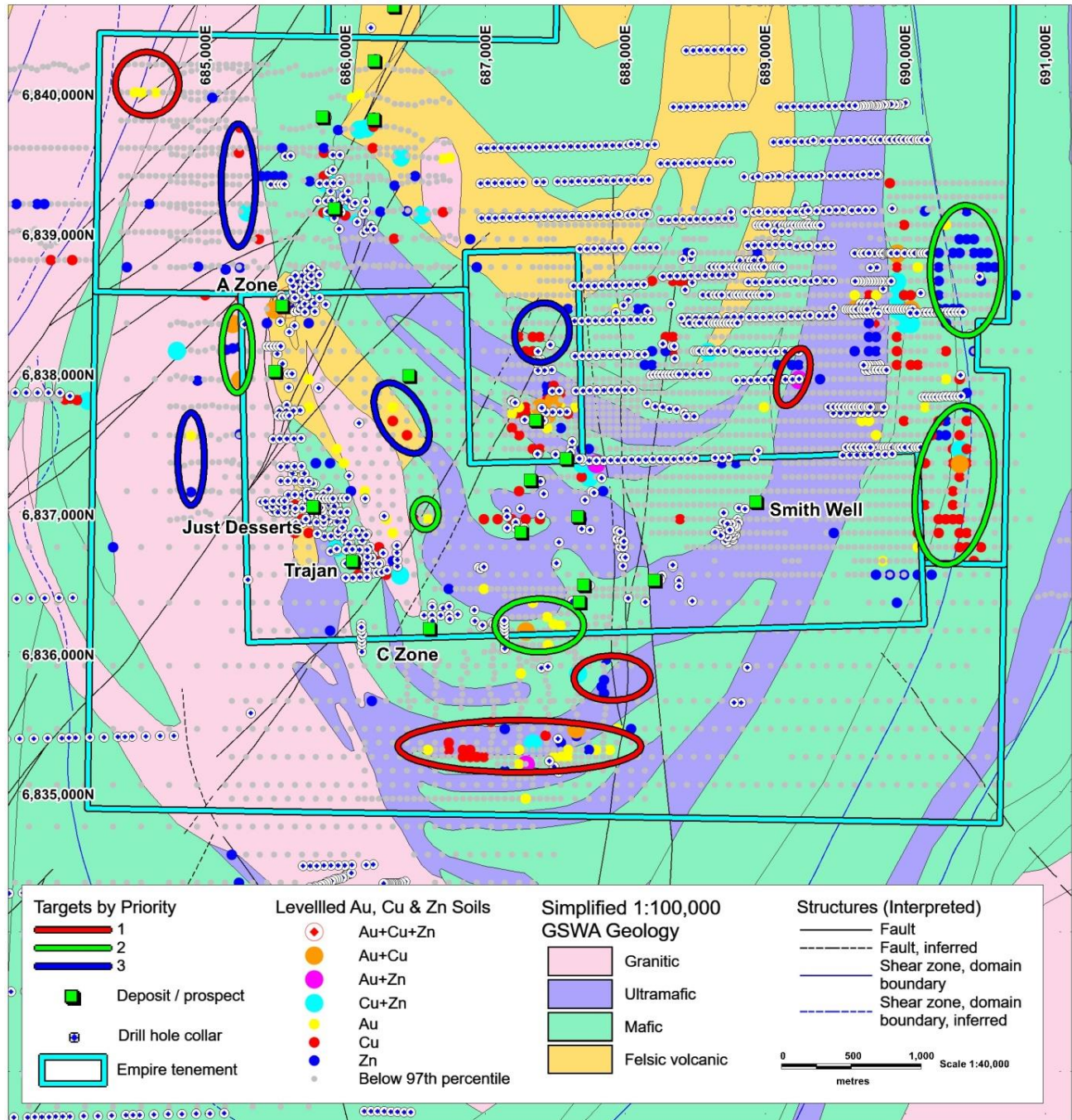


Figure 2 – Yuinmery Southern Prospects
Defined by anomalous soil sampling underlain by simplified 1:100,000 GSWA interpretative geology.

Following completion of the Yuinmery reconnaissance drill program, the drilling crews and geological teams are scheduled to mobilise to the Penny's Gold Project to commence reconnaissance drilling of high priority structural gold targets at that project.

Rights Issue

On 5 November 2019, the Company lodged a Prospectus with ASIC and ASX, seeking to raise approximately \$1,989,807 by a non-renounceable rights offer ("Offer") of up to approximately 248,725,876 new shares ("New Shares") on the basis of 2 New Shares for every 5 shares held at an issue price of 0.8 cents per New Share.

The funds raised under the Offer will be used to repay in part a loan facility, for exploration of the Penny's Find Gold Project and the Yuinmery Copper-Gold Project, for general working capital and to pay the costs of the rights offer process.

The Offer is partly sub-underwritten by Empire's major shareholder and chairman Dr Michael Ruane to \$712,000. Minimum subscription under the Offer is \$757,745, being the underwritten amount plus rights allocated to the Company's Directors.

The Offer opens on 14 November 2019 with the dispatch of the Prospectus and acceptance forms to eligible shareholders. The Offer is open for 3 weeks with an anticipated close date of 5 December 2019.

Penny's Find Royalty Payment

The Company has received its first royalty payment from gold produced from the Penny's Find Gold Project. The initial royalty was received for gold produced from surface stockpiles located at the Penny's Find Gold Mine (Refer ASX:ONX "*Comet Vale Gold Pour and Mining Development Update*" 29 October 2019).

In March 2019 the Company sold the Penny's Find Gold Mine to Orminex in part consideration for a 5% net smelter royalty (NSR) for the first 50,000 ounces of gold produced and an uncapped 2.5% NSR beyond 50,000 ounces of gold (Refer ASX:ERL "*Sale of Penny's Mining Lease for \$600k and Royalty Stream*" 4 March 2019).

The Company anticipates that further revenue will flow from the Penny's Find Gold Mine in 2020 with milestone payments from the anticipated commencement of mining activities (\$200,000) and first gold pour from mining activities (\$200,000). Further royalty payments are anticipated to consistently follow the first gold pour from mining activities.

The Company notes that Orminex continues to make steady progress toward commencement of mining operations at the Penny's Find Gold Project (Refer ASX:ONX "*Comet Vale Gold Pour and Mining Development Update*" 29 October 2019) with site works scheduled to commence this quarter.

Empire Managing Director, Sean Richardson commented:

"The commencement of drilling at Yuinmery represents a significant opportunity for the Company to advance its exploration projects by targeting high priority areas of potential mineralisation. This milestone comes following considerable effort by the Company's consultants, contractors and management in identifying where value lies within the Company's assets.

"The Company continues to progress its business of exploration and investment and with the support of its shareholders anticipates the results from these efforts to translate into rewards for all shareholders."

**Sean Richardson
Managing Director**

For further information on the Company
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About Empire

Empire Resources Limited (ASX:ERL) is a gold and copper focussed exploration and development company. Empire owns 100% of two highly prospective projects. The Yuinmery Copper-Gold Project 470km North East of Perth in the base metal rich Youanmi greenstone belt and the Penny's North Gold Project 45km North East of Kalgoorlie in the prolific Eastern Goldfields Region of Western Australia. Empire's projects have numerous exploration targets and offer excellent development potential.

Empire has an experienced team of exploration, development and financial professionals who are committed to developing a sustainable and profitable mineral business. Empire seeks to extract value from direct exploration in its existing projects as well as identifying value accretive investment opportunities that complement the Company's development objectives.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Shane Tomlinson, who is a Member of the Australian Institute of Geoscientists. Mr Tomlinson is an independent geological consultant and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tomlinson consents to the inclusion in the report of the matters based on this information in the form and context in which they appear.